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August 5, 2019

Via Electronic Filing

Chairman Comer H. "Randy" Randall
The Public Service Commission of South Carolina
101 Executive Drive, Suite 100
Columbia, SC 29210

Re: Pegasus-Global Holdings, Incorporated

Dear Chairman Randall:

On July 31, 2019, the Public Service Commission of South Carolina ("Commission") issued an order in Docket Nos. 2019-184-E, 2019-185-E, and 2019-186-E which informed the parties that the Commission had engaged Pegasus-Global Holdings, Incorporated ("Pegasus") as its statutorily required¹ independent third party expert. On August 2, 2019, Dominion Energy South Carolina ("DESC") notified the Commission as well as the other parties of record via email "that the Chair of the Board of Directors for Pegasus is a former member of the Board of Directors of SCANA Corporation ("SCANA")" and served as a compensated member of the Board until this year when SCANA became DESC.² Shortly after DESC's email was sent a newspaper article was published which linked Pegasus to Duke Energy.³ Specifically, it was reported that Duke Energy has paid

¹ SC Code Ann. § 58-41-20(I) requires the Commission to "engage, for each utility, a qualified independent third party to submit a report that includes the third party's independently derived conclusions as to that third party's opinion of each utility's calculation of avoided costs for purposes of proceedings conducted pursuant to this section." Section 58-41-20(I) states that the "qualified independent third party is subject to the same ex parte prohibitions contained in Chapter 3, Title 58 as all other parties" and that the "independent third party shall also include in the report a statement assessing the level of cooperation received from the utility during the development of the report and whether there were any material information requests that were not adequately fulfilled by the electrical utility."

² *August 2, 2019 Email of K. Chad Burgess.*

³ Brown, A. (2019). "SC utility regulators hire firm with ties to power companies to advise on price of solar." The Post and Courier. [online] Available at:

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Pegasus millions of dollars in fees over the last decade.⁴ Pegasus' own website references work performed by Pegasus for Duke Energy's "Megaproject", the Edwardsport Integrated Gasification Combined Cycle Power Plant, and how Dr. Patricia Galloway, Chair of the Board of Directors for Pegasus, presented in both pre-filed and oral testimony before the Indiana Utility Regulatory Commission in November 2011 on behalf of Duke Energy.⁵

I respectfully write on behalf of Johnson Development Associates, Incorporated ("JDA"), to request that the Commission rescind the engagement of Pegasus as the Commission's statutorily required independent third party expert due to the lack of *independence* of the selected expert. The South Carolina Energy Freedom Act⁶ ("Act") requires the Commission to engage a "qualified *independent* third party"⁷ to advise on various issues adjudicated within the proceedings held pursuant to the Act. Based upon the historical relationships between the utilities regulated by the Commission and the expert engaged by the Commission, JDA has serious concerns as to the independence, in fact as well as in appearance, of Pegasus as it relates to these proceedings. JDA formally makes this request and asks that if a formal Motion to Reconsider or Motion for Judicial Disqualification is desired by the Commission that JDA be promptly informed so as to acquiesce.

Due to the time constraints of the Act JDA requests that the Commission immediately disqualify Pegasus from acting as the Commission's independent third party expert in these proceedings and expeditiously retain a qualified *independent* third party as required by the Act.

Very truly yours,

s/ James H. Goldin
 James H. Goldin

JHG:jc
 Enclosure

Cc: All Parties of Record (via email and electronic filing)
 Hon. Jocelyn Boyd (via email)
 Chairman Thomas C. Alexander, Public Utilities Review Committee (via email)
 Vice-Chairman William E. Sandifer, Public Utilities Review Committee (via email)
 Members and Committee Counsel, Public Utilities Review Committee (via email)

https://www.postandcourier.com/business/sc-utility-regulators-hire-firm-with-ties-to-power-companies/article_836757a4-b528-11e9-8742-174e1b620875.html [Accessed 4 Aug. 2019].

⁴ *Id.*

⁵ <https://www.pegasus-global.com/global-projects> [Accessed 4 Aug. 2019].

⁶ Act No. 62 of 2019.

⁷ SC Code Ann. § 58-41-20(I)